

Wilmington council president gave \$40,000 in taxpayer money to predecessor

[Christina Jedra](#), The News Journal Published 12:51 p.m. ET **July 28, 2017** | Updated 5:22 p.m. ET July 28, 2017

Hanifa Shabazz granted \$40,000 of taxpayer money to former City Council President Theo Gregory's nonprofit, Student Disabilities Advocate — and up to \$20,000 of that went directly to Gregory, records show. She refused to answer questions. 7/28/17 William Bretzger/ The News Journal

7-28-2017 C.Jedra attempting to talk with H Shabazz

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(Photo: SAQUAN STIMPSON/SPECIAL TO THE NEWS JOURNAL)

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Wilmington City Council President Hanifa Shabazz has disputed the idea that council's discretionary fund is a tool for political favoritism, but the first big check she cut in her new role was for her predecessor.

Without notifying her colleagues or the public, Shabazz granted \$40,000 of taxpayer funds to former City Council President Theo Gregory's nonprofit, Student Disabilities Advocate — and up to \$20,000 of that went directly to Gregory, according to documents obtained by The News Journal.

Shabazz said last week that City Council has the "[highest standards of accountability and transparency](#)," but the council president and her staff for two weeks dodged questions asked by phone, email and in person about the grant. And when approached at [a public meeting billed as a listening tour on Thursday](#), Shabazz refused to answer.

"Oh, I'm not talking about that right now," she said before Council Communications Director Antoine Oakley physically steered his boss away from a reporter and toward the exit of the Delaware Historical Society on Market Street.



Wilmington City Council President Hanifa Shabazz part in the listening tour conducted by city officials Thursday at the Delaware History Museum before evading questions about a \$40,000 grant. (Photo: William Bretzger, The News Journal)

The grant came from Council's [controversial discretionary fund](#), through which council members can quietly dole out hundreds of thousands of dollars a year to any nonprofit of their choosing with little transparency or oversight, the News Journal reported earlier this month.

The president, in particular, has wide discretion over the largest pot of money — \$327,000.

Unlike elsewhere in Delaware, the council does not limit how much money an organization can receive and does not vote on which organizations get grants.

Council members are not obligated to share grant information with the public or even with each other. Although the money to Gregory was given on behalf of Council as a whole, representatives The News Journal spoke to were unaware of the hand-out.

"We didn't know anything about it," said Councilwoman Michelle Harlee.



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Theo Gregory speaks during the Wilmington mayoral debate at the Holy Trinity Greek Orthodox church in Wilmington in July 2016. (Photo: KYLE GRANTHAM/THE NEWS JOURNAL)

The council president said on July 13 that she was "not sure" if Gregory was the program manager budgeted to receive a \$20,000 salary through the grant to his Student Disabilities Advocate nonprofit. It was founded in the mid-1990s, but since 2004 has essentially lain dormant until Gregory resurrected it late last year after losing the mayoral primary.

Council records listed a program manager in the grant's budget, but not the identity of that person.

During the quick exchange at the historical society, Shabazz said, "I know the merits of the program."

But she insisted that she did not know who operated the grant-funded program.

"That is not a question that I ask, or is required of me to ask," Shabazz said while trying to evade a reporter.

Shabazz insisted that she was not aware Gregory was involved.

"I don't know," Shabazz said. "When we do a program, we do not go into the detail of the staff. We do not ask the names of the people on the staff. They have their staff, they have their budget. We've never asked the person's name of who's the program manager. I don't know."

Council leadership — including Chief of Staff Gary Fullman, Chief Financial Officer Marchelle Basnight and Oakley — would not answer questions about the program manager's name despite repeated calls and emails over two weeks and an in-office visit from The News Journal.

STORY: [Little oversight for Wilmington City Council discretionary fund](#)

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City Council records show the Student Disabilities Advocate program had two staff members: a program manager and an assistant.

Gregory told The News Journal by email on Thursday that he was the program manager, but said he did not receive a \$20,000 salary, as budgeted in public documents. He said got \$15,000, and the remainder of the grant was used to pay three assistants, buy supplies and pay for marketing.

After The News Journal's initial report on the council's discretionary fund, Shabazz said money under her control would be managed with more council input. She said dollars this year will be spent according to a strategic plan council members will agree upon.



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Wilmington City Council President Theo Gregory and Councilwoman Hanifa Shabazz attend a Public Safety Committee meeting in 2015. (Photo: KYLE GRANTHAM/THE NEWS JOURNAL)

But Gregory's program requested the funds on Jan. 4, less than 24 hours after Shabazz took office, and she approved the grant by Jan. 12, records show — weeks before council started strategic planning sessions.

"It begins to look like one person is supporting whomever they decide to support," freshman councilwoman Harlee said.

Gregory may have recognized council discretionary dollars as a funding opportunity for his post-politics venture because he had used the fund himself. As council president, he directed nearly \$600,000 over four years to a nonprofit he founded, Education Voices.

Without the 501(c)(3) status necessary to receive a city grant for Student Disabilities Advocate, Gregory partnered with the Police Athletic League — a nonprofit for which he was a board member and which he supported with over \$25,000 in discretionary funds when he was in office.

The PAL requested the funds from Shabazz on Gregory's behalf, records show.

Gregory's pilot program sought to provide counseling, advocacy and education for homeless youth and families with special needs children, according to the proposal letter from PAL's executive director to Shabazz. It was slated to run from January to June of this year.

The proposal to council called for an "aggressive" education and marketing campaign that would include up to 3,000 brochures, a website, a "social media blog," a Facebook page, several television appearances and essentially a promotional tour of city youth centers, religious institutions, school administrative offices and Parent Teacher Association meetings.



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Former Wilmington City Council President Theo Gregory used part of a \$40,000 grant from his former colleague -- and current council president -- Hanifa Shabazz to buy thousands of brochures and business cards, public records show. (Photo: Christina Jedra/THE NEWS JOURNAL)

Actual program services to needy families would be provided "based on staff capacity and persons requesting representation," the proposal said.

What the \$40,000 grant has afforded city residents is unclear.

As a city grant recipient, the PAL is required to file reports with the city during and after the program. The News Journal requested those records from City Council and filed a Freedom of Information Act request with the law department, but has not yet received a response.

PAL Director Wilbert "Bunny" Miller, who requested the funds on Gregory's behalf, did not respond to multiple requests for comment.

The News Journal was unable to find the "social media blog" proposed by Student Disabilities Advocate within its \$2,000 "marketing/social media" budget.

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[Councilman Bob Williams](#) said the discretionary fund is under a “cloak and dagger of secrecy,” and it needs to change. Williams himself asked council staff who the \$20,000 program manager was, but he did not get an answer.

The District 7 councilman [has proposed legislation](#) that would require all grant requests to pass through the finance committee for public discussion, and large grants would require a vote.



Wilmington City Councilman Bob Williams, District 7 (Photo: Provided: City of Wilmington)

He said he wishes he had moved for more transparency earlier.

“Should I have asked more questions? Of course,” he said, adding that council members with more seniority have not been as vocal. “They should be raising these red flags, and they’re not. And that gives me apprehension.”

Gregory too believes the fund expenditures should be publicly posted.

"Minimally City Council should post online the agencies that got the grants and the amounts," he said.

Shabazz has claimed discretionary fund spending is transparent because citizens can file Freedom of Information Act requests. But such records are only available after spending has already occurred, and public documents often lack specificity.

Councilman Bud Freel, chair of the finance committee, said that’s a problem. Freel asked council staff about the \$40,000 grant but they told him they "didn't know" who the program manager was.

“These are public dollars,” Freel said. “Anyone should be able to look at this grant and be able to determine who is receiving these dollars and what they’re used for. If it’s a difficult

process, we have to find a way to make it easier. The public has a right to know how this is being spent.”

Freel thinks the council discretionary fund should be eliminated altogether.



Wilmington City Councilman Bud Freel, chair of the finance committee *(Photo: Provided: City of Wilmington)*

Shabazz has defended council's discretionary fund procedures, saying that Council "takes its fiduciary responsibilities very seriously."

The council president has claimed that the grant to Student Disabilities Advocate is in line with violence reduction recommendations from the Centers for Disease Control and Prevention, but not everyone is convinced.

"I've been told second-hand that part of this work from this nonprofit is supposed to go to support some of the recommendations from the CDC," Freel said. "I can't say yes or no."

Some council members feel the need to distance themselves from their president's decisions.

"I don't want to be painted with that brush and be viewed as having a lack of integrity," Harlee said. "Clearly we need to fix this situation. I personally don't feel one person should have that kind of authority without accountability and oversight."



Wilmington City Councilwoman Michelle Harlee, District 4 (Photo: Provided: City of Wilmington)

Harlee said she was disappointed she hasn't heard from Shabazz or council staff about changes.

"There hasn't been any communication about this."

As Shabazz left the meeting on Thursday, she was visibly irritated.

"You're trying to get me to say something that I'm not saying because I don't know," she said.

Violesee Pratt, a 60-year-old East Side resident who observed Shabazz's defense, shook her head and offered her assessment: "She knew."

"If she's doing some shady stuff, she's not going to win next time," Pratt said. "We're the people. We put you in office. You gonna just take the power that we gave you and (you) make the decisions? Nah."

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See below for the City Council budget documents that show a program manager was set to receive \$20,000 of a \$40,000 grant. (page 5) The News Journal learned that program manager was former City Council President Theo Gregory.



Raw Video: Council President Shabazz evades questions on discretionary funds
2:57